



Universal Service Fund Background

The *Universal Service Administrative Company* (USAC) is an independent, not-for-profit corporation designated as the administrator of the federal Universal Service Fund by the Federal Communications Commission (FCC).

The goals of *Universal Service Fund* (USF), as mandated by the 1996 Act, are to:

- Promote the availability of quality services at just, reasonable and affordable rates for all consumers
- Increase nationwide access to advanced telecommunications services
- Advance the availability of such services to all consumers, including those in low income, rural, insular, and high cost areas at rates that are reasonably comparable to those charged in urban areas
- Increase access to telecommunications and advanced services in schools, libraries and rural health care facilities
- Provide equitable and non-discriminatory contributions from all providers of telecommunications services to the fund supporting universal service programs

For information about USF visit www.usac.org or www.fcc.gov/wcb/tapd/universal_service/.

ICN Involvement

ICN began its participation in the USF program in FY 2001, as a common carrier. ICN is involved in two of the four USF programs, which are:

1. The *Schools and Libraries* Program, also known as the E-rate Program, offers discounts for schools and libraries.
 - a. For Fiscal Year 2013 (7/01/2012 thru 6/30/2013) ICN provided e-rate discounts for voice, data, and video services for 279 schools and libraries, saving those entities over \$4.7 million in discounts; (\$3.7 million for voice and data and over \$1.0 million in video).
 - b. Supports connectivity. The conduit or pipeline for communications using telecommunications services and/or the Internet. Funding is requested under five categories of service: telecommunications service, Internet access, internal connections, basic maintenance of internal connections, and miscellaneous.
 - c. Discounts for support depend on the level of poverty and the urban/rural status of the population served, and ranges from 20 percent to 90 percent of the costs of eligible services. Eligible schools, school districts and libraries may apply individually or as part of a consortium.
2. The *Rural Health Care* Program offers telecommunications discounts to health care providers. ICN provides discount support to 63 Iowa health care providers.

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